



Milwaukee County Retirement Plan Services

Amy Pechacek, Interim Director

901 N. 9th Street, Courthouse, Room 210-C

Milwaukee, WI 53233

(414) 278-4207 (877) 652-6377

www.County.Milwaukee.Gov/Retirement

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INFORMATIONAL ONLY- NO ACTION REQUIRED

Dear Milwaukee County Retiree,

As we have previously shared with you, Employee Retirement Systems (“ERS”) recently underwent the first phase of an extensive audit as a result of some calculation inconsistencies that were uncovered earlier this year. The audit mainly focused on areas in benefit categories with identified issues including offsets, re-retirements, survivor payments, and income limit calculations. The Retirement Plan Services (“RPS”) team worked very hard over the last several months to provide information to the independent, third party auditors so they could verify the accuracy and reliability of benefit determinations made spanning several decades. The audit targeted these areas to ensure everyone is paid fairly and accurately.

The first phase of the audit confirmed our belief that there is more work to be done to guarantee that retirees are being paid correctly. While there were a significant amount of issues uncovered, the good news is that for the vast majority of the errors found, the confirmed variances are small, spanning just a few dollars per month over or under an individual’s correct calculation. The Milwaukee County pension is one of the most complex in the nation, and the amount of separate versions and iterations of benefits and enhancements has contributed to the difficulty in consistent, transparent, and proper benefit calculations for decades.

The security of your retirement is our highest priority. You have earned your benefits and deserve the peace of mind knowing they have been calculated accurately. Over the next several months the RPS team will be working through the confirmed errors on the audit findings and adjusting the files to the proper benefit amount. If there is a proposed adjustment to your payment, you will be notified in writing as soon as possible with an explanation of any variation. Given the current workload constraints, **RPS is unable to process other requests for a recalculation** at this time. We will continue to update you on our post-audit correction progress, and have set up a special section on our webpage to post any new developments: www.County.Milwaukee.Gov/Retirement. We will also be sending information via the Communicator for those of you who prefer mailed updates.

Future phases of the audit consist of recommendations on how to improve current pension administration to reduce issues going forward. Continuous improvement is our goal and we look forward to implementing new positive administration changes. We will share those future phase improvement recommendations and action plans with you as soon as they are available.

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In addition to these efforts, many local leaders are exploring long-term policy alternatives and solutions to the current administrative challenges. Everyone has the same goal in mind; clarity and security for our retirees, employees, and the taxpayers of Milwaukee County. As different potential solutions are considered, please remember that vested pension benefits you earned are a property right- **none of the potential solutions will change your earned benefits.** The current policy discussions involve the exploration of administrative options for **new** employees and **future** years of service. The research is contemplating all aspects of this possibility, including unfunded pension liabilities and ensuring the continued healthy and robust funding level of the ERS trust. These policy decisions are not up to the Pension Board or RPS.

Thank you for your understanding as we aggressively seek solutions to move forward with proper and reliable pension administration. This letter is informational only and has been sent to all current retirees. No action is required on your behalf.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy Pechacek". The signature is fluid and cursive, with the first name "Amy" and last name "Pechacek" clearly distinguishable.

Amy Pechacek
Interim Director
Retirement Plan Services